

# State of South Dakota

## SEVENTY-FOURTH SESSION LEGISLATIVE ASSEMBLY, 1999

525C0873

### HOUSE CONCURRENT RESOLUTION NO. 1012

Introduced by: Representatives Weber, Cerny, Chicoine, Crisp, Haley, Koehn, Koetzle, Kooistra, Lockner, and Sutton (Daniel) and Senators Kloucek, Dennert, Hutmacher, and Lange

1 A CONCURRENT RESOLUTION, Calling upon the United States Department of Justice and  
2 the Attorneys General of Minnesota, South Dakota, Iowa, and Nebraska to investigate  
3 collusive practices in the midwestern food processing industries.

4 WHEREAS, recent federal studies of the cattle and hog industries have shown that the  
5 strategic use of captive supply procurement methods by meatpacking corporations are associated  
6 with reductions in cash market prices for cattle, indicating possible illegal manipulation of prices;  
7 and

8 WHEREAS, recent federal studies of the pork packing industry have shown that  
9 meatpacking corporations have voluntarily reported prices that did not reflect actual transaction  
10 prices, indicating possible deceptive practices; and

11 WHEREAS, further federal studies indicate that base prices and premiums paid by  
12 meatpacking corporations increase with producer size, indicating possible discriminatory  
13 practices and undue preferential treatment of producers; and

14 WHEREAS, the proposed purchase of the grain operations of the Continental Grain  
15 Company by Cargill, Incorporated, will limit the marketing opportunities of midwestern grain  
16 producers and open the door to possibly illegal market manipulation and discriminatory

1 practices:

2 NOW, THEREFORE, BE IT RESOLVED, by the Senate of the Seventy-fourth Legislature  
3 of the State of South Dakota, the House of Representatives concurring therein, that the United  
4 States Department of Justice is requested to send senior investigative and administrative  
5 personnel to a convenient midwestern location to meet with farmers and others with experience  
6 in dealing with meatpacking and grain processing corporations to discuss possible violations of  
7 antitrust and other laws in those industries; and that the United States Department of Justice is  
8 requested to open an investigation of possible antitrust violations in the midwestern meatpacking,  
9 grain processing, and grain storage industries; and that the attorneys general of South Dakota,  
10 Minnesota, Iowa, and Nebraska are requested to open parallel investigations of those same  
11 industries for possible violations of state laws; and that the United States Department of Justice  
12 is requested to develop a plan for immediate, aggressive, and comprehensive enforcement of the  
13 federal Packers and Stockyards Act and other laws designed to preserve competition and open  
14 markets in the midwestern grain and livestock industries.